THE POWER OF PARTNERSHIP

Montgomery Housing Partnership Annual Report 2018

• HOUSING PEOPLE
• EMPOWERING FAMILIES
• STRENGTHENING NEIGHBORHOODS
FROM THE PRESIDENT AND BOARD CHAIR

There is an old saying, of undetermined origin: “If you want to go fast, go alone. If you want to go far, go together.”

Dear Friends:

At MHP, perhaps the most crucial word in our name is partnership. We are proud of our many successes in housing people, empowering families and strengthening neighborhoods. But it is safe to say that few of those successes would have been possible without our partners.

There are great examples of partnership highlighted in this annual report, from Jenny’s story of working to open up opportunities for middle-school youth, to Laura Hinton’s story of finding an affordable place to call home at MHP’s The Bonifant.

Through partnership, we are going farther. The impact of our efforts is expanding. We are achieving a huge milestone with the acquisition of the Worthington Woods Apartments in Washington, DC, in partnership with many entities, including the DC government. This acquisition means MHP now is providing over 2,000 quality, affordable homes to more than 5,000 residents in the area. We have come a long way from offering a handful of affordable units when MHP was born in 1989. And of course, we cannot achieve these important milestones without another vital partner – you. Thank you for your dedicated support of MHP as we prepare to celebrate 30 years of housing people, empowering families and strengthening neighborhoods.

With gratitude,

[Signatures]

Robert A. Goldman
MHP President

Michael Schlegel
MHP Board Chair, 2017-18
EMPOWERING FAMILIES

Engaged in new partnerships, including Catholic Charities, Mama Food Center, Planned Parenthood, Girls Scouts, AmeriGroup, Takoma Park Recreation Department, Liberty’s Promise served 119 MHP Community Life students by involving them in new experiences, including college and career readiness programming.

STRENGTHENING NEIGHBORHOODS

Twenty residents participated in Resident Leadership Training Workshop series. The Apartment Assistance Program re-launched, connecting landlords to local contractors and programs to help them maintain and enhance their properties.

HOUSING PEOPLE

Provided more than 1,750 safe, affordable homes to 2,187 adults, 1,262 children, and 517 seniors.

Completed rehabilitation of 31 units of Glenville Road, including installation of new kitchens and bathrooms.

Celebrated rehabilitation of Beall’s Grant Apartments in Rockville with a ribbon-cutting. The property preserves more than 50 affordable apartments.

HOUSING PEOPLE

At Home in The Bonifant

Laura Hinton’s smile can light up a room. She is smiling a lot these days because she is happy and content in her home in The Bonifant, MHP’s apartments for seniors in downtown Silver Spring. “I love it here!”

Laura spent several decades waitressing at a popular Silver Spring restaurant. When she got laid off, she moved into MHP’s Greenwood Terrace Apartments. While it was a nice place to live, she had reached a point where she was looking for a community of people her age.

The Bonifant, a joint public-private project involving MHP, Montgomery County and several other partners, seemed like a perfect choice for her. The new building was so popular that a lottery system was instituted for potential residents when it opened. Initially, Laura was not selected. But eventually, she moved into a beautiful one-bedroom where she says she loves getting up in the morning. Laura has a green thumb and enjoys caring for her plants that fill her windowsill.

She is happy to be in a central location where she can walk to shopping and other amenities. Laura is an involved resident at The Bonifant, taking yoga classes and serving on the building’s resident social committee, which plans fun activities. “You know that good feeling when you really, really wish for something, and then it comes true?” she asks. “That’s how I feel living here.”
When Jenny Mendez-Guerrero listens to students in MHP’s middle school program, known as Future Leaders of the World (FLOW), talk about challenges they are facing at home and at school, their comments resonate with her.

Jenny is a member of AmeriCorps Project CHANGE Montgomery, a service program that places volunteers with a network of nonprofits and schools to help improve the quality of life for county residents. AmeriCorps members serve by tutoring and mentoring disadvantaged youth, fighting illiteracy, facilitating school group dialogues on race and ethnicity, and conducting after-school enrichment programs for students K-12.

“I became an AmeriCorps member because I wanted to serve immigrant, high needs, low income families and communities similar to the ones that I personally grew up in,” said Jenny, who came to the United States from El Salvador when she was 2. She serves in MHP’s Community Life programs at Amherst and Pembridge Square apartments in Wheaton, providing academic assistance, tutoring, mentoring, and college and career readiness support.

While serving with AmeriCorps, Jenny completed undergraduate studies at the University of Maryland, getting a bachelor’s degree in Family Science, an interdisciplinary major focused on how family dynamics, policies, and poverty and affluence can affect families socially, emotionally, and physically. “Working with MHP reinforced my course work. Essentially, I was learning about how to better serve families, then directly serving them with MHP,” Jenny said.

“My work at MHP is personal for me.”

After almost two years with MHP, one of Jenny’s greatest achievements has been developing and leading the FLOW middle school program. Jenny already had built relationships with FLOW students while they were in MHP’s elementary program (Great Achievers Toward Outstanding Results, or GATOR). There was a natural bond as they transferred into FLOW. She has played a crucial role as MHP expands efforts to encourage and expose students to career and academic possibilities, particularly attending college. The students’ favorite activity so far has been attending Maryland Day at the University of Maryland in College Park (see photos at left). The students wanted to learn more about college, so Jenny brought them to the University for a first-hand experience.

“The teens explained to me how they did not see college as being a part of their future. Some did not even see themselves graduating from high school,” Jenny said. “I was excited to show and be an example to them that it’s possible to go to and succeed in college, but especially show that there’s space in college for Latinx students.”

Jenny hopes that the students see the potential in themselves the way that she sees it in them. She would like for them to keep pushing and doing the best that they can in school.

“After I graduated from high school, I had a conversation with my dad where he told me the best inheritance that he could leave me with was the opportunity to continue my education, because education is the great equalizer and it is something that no one would ever be able to take away from me.”

EMPOWERING FAMILIES

‘Education Is the Great Equalizer’

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STRENGTHENING NEIGHBORHOODS

JASON’S STORY

MHP offers residents and volunteers of all ages opportunities to grow. Jason Amboo, a resident of our Glenville Road community, is a great example of an MHP youth volunteer who embraced that opportunity, defining his own path while strengthening his own neighborhood.

Jason now is a college student and, looking back, he says that experience was very influential.

When Jason was 11, he was playing tag outside when one of his friends cut himself on a piece of glass. The amount of trash littering the neighborhood made them angry.

Jason suggested forming a “green team” and encouraged others to join. He brought the idea to MHP, and MHP officially piloted the Green Club in 2011 and fully funded it in 2012. The program continues to this day.

JASON’S STORY

“Me and my family lived for a long time, and the experience was very influential. I met new people and learned new things to better myself and those around me. MHP made me a more accountable and responsible person,” Jason said.

In that year alone, the Glenville Road Green Club collected more than 200 pounds of litter and achieved a 92-percent resident-participation rate for its recycling program.

Jason became the youngest recipient of the Dorothy Richardson Resident Leadership Award, a national community service award given out annually by NeighborWorks America.

Today, Jason is enrolled at Montgomery College studying business administration with a minor in French. His goal is to study abroad while earning his bachelor’s degree, and then enroll in a graduate program. As for his legacy, he says he wants to be remembered as the kid who was always ready to help.

BUILDING COMMUNITY IN GLENVILLE

The annual Glenville Road Fall Festival brings together neighbors for a festive celebration that provides an opportunity for arts and crafts. It also is an opportunity for residents of the Silver Spring neighborhood to resources that can have a positive impact on their lives.

STRENGTHENING NEIGHBORHOODS

FOUNDBATION LEVEL ($1,000 - $4,999 ANNUALLY)

Kenny Adeleke
Margaret Allen
Ansonious

ASSOCIATES PLUMBING, INC.

Cynthia M. Bar
Laura & Chip Bay

STEEPING STONE LEVEL ($5,000 - $9,999 ANNUALLY)

Eugene Costa
Elm Street Development

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MHP staff headed to the National Building Museum in Washington, DC, to visit the “Evicted” exhibition, based on the best-selling book Evicted by Matthew Desmond. Many staff had read and discussed it as part of MHP’s book club. The immersive exhibit brought home the emotional and economic challenges of families who face forcible removal when they are unable to make their rent. Housing instability threatens many intertwined aspects of family life: school, employment, health.

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Studios39
VIKA

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Petit Family Charitable Foundation

HOLE-IN-ONE CONTEST SPONSOR
AGH Financial
**SUMMARY OF COMBINED FINANCIAL REPORTS**

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<thead>
<tr>
<th>ASSETS:</th>
<th>December 31, 2018</th>
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<tbody>
<tr>
<td>Cash and cash equivalents (unrestricted)</td>
<td>$20,466,455</td>
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<tr>
<td>Cash (restricted)</td>
<td>107,587</td>
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<tr>
<td>Investments, Short Term</td>
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<td>Accounts receivable</td>
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<td>Restricted project reserves</td>
<td>10,378,539</td>
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<td>Deposits, Escrows and tenant security</td>
<td>4,729,565</td>
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<tr>
<td>Prepaid expenses and development in process</td>
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<td>Property, equipment, net of $55,457,832</td>
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<td>Tax receivable less $350,012 amortization</td>
<td>10,378,539</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$225,791,935</td>
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<table>
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<tr>
<th>LIABILITIES and NET ASSETS</th>
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<tbody>
<tr>
<td>Cash and cash equivalents (unrestricted)</td>
<td>$20,466,455</td>
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<tr>
<td>Accrued interest payable</td>
<td>2,626,177</td>
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<td>107,587</td>
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<table>
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<tr>
<th>REVENUES (Unrestricted)</th>
<th>For 12 Months Ended December 31, 2018</th>
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<tr>
<td>Rental revenues</td>
<td>$22,417,656</td>
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<td>Grants</td>
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<td>Cash Donations</td>
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<td>Development fees</td>
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<td>Interest and investment income</td>
<td>293,556</td>
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<td>Special events</td>
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<td>Other income</td>
<td>1,714,674</td>
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<td><strong>Satisfaction of program restrictions</strong></td>
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<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$24,770,095</td>
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<table>
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<tr>
<th>EXPENSES</th>
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<tr>
<td>Program services</td>
<td>$23,467,385</td>
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<tr>
<td>Properties in management including interest expense of $5,526,743</td>
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<tr>
<td>Other development/managing including interest expense of $108,601</td>
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<td>Supportive services</td>
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<td>Management and general</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
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<table>
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<tr>
<th>Net assets, end of year</th>
<th>8,214,718</th>
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<tr>
<td>Net assets, beginning of year</td>
<td>10,133,306</td>
</tr>
<tr>
<td>Transaction costs on controlled interest transfer of asset</td>
<td>(992,223)</td>
</tr>
<tr>
<td>Transfer of net assets</td>
<td>(734,100)</td>
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<tr>
<td>Increase in net assets due to excess of expenses over revenue attributable to controlling interest</td>
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<tr>
<td>Decrease in net assets</td>
<td>(2,407,480)</td>
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<tr>
<td><strong>Increase in temporarily restricted net assets</strong></td>
<td>(580,689)</td>
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<tr>
<td><strong>Release of program restrictions</strong></td>
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**BOARDS AND SENIOR MANAGEMENT**

2018 Board of Directors

Michael A. Schlegel, Chair
Beezue Construction Company

Lisa Rother, Vice Chair
LJL, Washington

Mary Sokolowski, Treasurer
Bank of America Company, Inc.

John Clarke, Secretary
6th Street Development

Patricia Harris
Lent, Early & Brewer, Child

Joseph Dennis
Saint Mary’s Church

**MONTGOMERY HOUSING PARTNERSHIP AND AFFILIATES**

**ASSETS: REVENUES (Unrestricted)**

MONTGOMERY HOUSING PARTNERSHIP AND AFFILIATES

**LIABILITIES and NET ASSETS**

Cash and cash equivalents (unrestricted)  ...... $ 20,466,455
Accrued interest payable ......................  2,626,177
Cash (restricted)  ..............................  107,587
TOTAL LIABILITIES and NET ASSETS .......... $  225,791,935
Total net assets ..............................  8,214,718
Net Assets with donor restrictions  .............  1,367,463
Total liabilities ............................. $  192,950,986
Unsecured notes payable, net of debt  .........  5,235,971
Secured notes payable, net of debt  ............  182,361,996
Tenant security deposits held ..................  1,176,044
Deferred rent revenue  .........................  2,786
Prepaid rents .................................  169,534
Accounts payable and accrued expenses  ..... $ 1,378,478
Tax receivable less $350,012 amortization | 10,378,539 |